

MARKET SUMMARY

Complete Recap of Today's Market Activity

Early Gains And Losses on Conflicting War Headlines

Market Summary: Monday, May 18, 2026 - 3:46PM

Bonds began the overnight session by drifting somewhat higher in yield. The 10yr hit 4.63 before recovering modestly just before domestic trading began. Yields were still slightly higher at 7:30am but moved lower after headlines cited rumors that the U.S. agreed to lift Iran's oil sanctions. Subsequent headlines cited a revised counter-proposal from Iran in which it would accept a long-term freeze of its nuclear program in exchange for a truce and gradual reopening of the Strait of Hormuz. Bonds rallied on both those newswires with 10s making it below 4.57. They're since reversed course on a 3rd set of newswires citing Iran's negotiators as saying U.S. demand remain excessive despite the changes in the draft proposal.

Latest Video Analysis



Bonds Continued Drifting Weaker Throughout The Day

MBS & Treasury Markets

UMBS 5.0	97.41	0.00	10YR	4.590%	-0.002%	5/18/2026 5:00PM EST
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Negative Reprices Becoming More Likely

MBS are now down 5 ticks (.16) on the day and more than a quarter point from some early lenders' rate sheet print times. Any lender who initially priced before 10:30am is increasingly likely to be considering a negative reprice.

ALERT: MBS Down More Than an Eighth From Highs

MBS MORNING: Early Gains And Losses on Conflicting War Headlines



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Today's Mortgage Rates

30YR Fixed 6.68% +0.03%

15YR Fixed 6.12% +0.02% 5/18/2026

Mortgage Rates Start Week at New 9 Month High, But Just Barely

hit their highest levels in more than 9 months at the end of last week. Now today, they've edged slightly higher yet again with the average top tier 30yr fixed rate at 6.68% versus 6.65% on Friday.

This wasn't necessarily destined to be the case today. In fact the day began with the average lender unchanged. But the underlying market remains highly attuned to breaking news on the Iran war.

Earlier in the day, that news was helpful for rates as it spoke to the possibility of compromise on a peace deal. Subsequent headlines refuted the initial news, thus pushing the financial market back in the other direction (i.e. toward higher rates).

The result was that the average lender recalled their initial rate offerings and re-released higher rates. Things were on track to be even worse this afternoon when Trump said he was cancelling a planned attack and that serious negotiations were taking place. This helped bonds recover some of the earlier losses, but not enough for lenders to make any friendly rate adjustments today.

Economic Calendar

Last Week

This Week

Next Week

Time	Event	Actual	Forecast	Prior
Monday, May 18				
8:30AM	Fed Venable Speech ☆			
10:00AM	May NAHB housing market indx	37	35	34
Tuesday, May 19				
12:00AM	Roll Date - Ginnie Mae 30YR			
8:15AM	ADP Employment Change Weekly			33.0K
9:00AM	Fed Waller Speech ☆			
10:00AM	Apr Pending Home Sales (%) ☆		1.3%	1.5%
11:30AM	6-Week Bill Auction (%)			3.615%
7:00PM	Fed Paulson Speech ☆			
7:30PM	Fed Venable Speech ☆			